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Washington's Tax Ranking Drops to 37th in Nation

OLYMPIA, Wash., June 18, 2007 — Washingtonians pay less state and local tax relative to their incomes than residents of 36 other states, according to figures recently released by the U.S. Census Bureau.

Washington ranked 37th nationally, paying an average of \$105.91 in taxes for every \$1,000 in personal income in Fiscal Year 2005, compared to a national average of \$112.94. Washington ranked 29th in Fiscal Year 2004.

This is the lowest ranking for Washington since it dipped to 39th during a severe recession in 1981. Washington's ranking has declined from a peak of 11th in 1998, chiefly because personal income has grown faster than taxes since then.

Tax experts believe measuring taxes against income is the most meaningful comparison because it reflects both ability and willingness to pay taxes for desired governmental services.

Washington also dropped in the per-capita rankings, which simply divide tax revenue by the number of people in a state. Washington ranked 21st per capita in Fiscal Year 2005, down from 18th in Fiscal Year 2004. Taxes per capita were \$3,651 in Fiscal Year 2005, slightly below the national average of \$3,698. This is the first time since 1982 that Washington's taxes per capita have dipped below the national average. States with higher personal incomes tend to have higher per capita taxes, but Washington's per capita tax ranking was significantly lower than its 12th-place ranking in per capita personal income.

Washington also fell below national averages in property taxes. Property taxes dropped by \$1.08 to \$30.60 per \$1,000 of personal income in Fiscal Year 2005, although Washington's ranking among the states remained at 28th, the same as in Fiscal Year 2004. Washington ranked 24th in property taxes per capita at \$1,055 in Fiscal Year 2005, down from 22nd in the 2004 rankings.

Details on the rankings are available in Comparative Tax Statistics 2005, posted today at <http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2005/Compare05/default.aspx>.

**Table 1. State and Local Tax Collections Per \$1,000 Personal Income
Fiscal Years 2001 - 2005**

State	Amount					Rank				
	2001*	2002	2003*	2004	2005	2001*	2002	2003*	2004	2005
Wyoming	NA	\$121.97	NA	\$138.58	\$150.76	NA	3	NA	2	1
New York	NA	130.79	NA	146.76	149.70	NA	1	NA	1	2
Hawaii	NA	120.62	NA	126.25	134.30	NA	4	NA	4	3
Maine	NA	130.16	NA	133.65	133.04	NA	2	NA	3	4
Alaska	NA	102.76	NA	110.93	132.40	NA	28	NA	19	5
Vermont	NA	110.60	NA	122.50	131.91	NA	12	NA	5	6
Rhode Island	NA	113.63	NA	120.35	122.68	NA	6	NA	7	7
Wisconsin	NA	117.26	NA	121.83	121.28	NA	5	NA	6	8
West Virginia	NA	111.68	NA	111.93	121.14	NA	8	NA	17	9
New Mexico	NA	111.45	NA	116.38	119.69	NA	9	NA	9	10
Connecticut	NA	103.56	NA	115.71	119.17	NA	27	NA	10	11
Ohio	NA	110.96	NA	114.34	118.31	NA	11	NA	12	12
Nebraska	NA	107.71	NA	118.04	117.97	NA	14	NA	8	13
Louisiana	NA	111.26	NA	112.44	117.44	NA	10	NA	15	14
New Jersey	NA	104.20	NA	115.55	117.19	NA	21	NA	11	15
California	NA	106.01	NA	113.06	115.62	NA	17	NA	14	16
Utah	NA	108.39	NA	109.81	115.06	NA	13	NA	21	17
North Dakota	NA	105.19	NA	104.17	114.62	NA	18	NA	37	18
Nevada	NA	101.20	NA	111.33	113.97	NA	30	NA	18	19
Indiana	NA	100.39	NA	104.37	113.78	NA	33	NA	36	20
Minnesota	NA	113.14	NA	112.02	113.76	NA	7	NA	16	21
Arkansas	NA	104.00	NA	105.14	113.67	NA	22	NA	34	22
Delaware	NA	107.24	NA	108.41	111.85	NA	15	NA	24	23
Arizona	NA	104.47	NA	108.64	111.69	NA	19	NA	23	24
Pennsylvania	NA	100.91	NA	108.75	111.27	NA	31	NA	22	25
Illinois	NA	101.31	NA	105.83	111.09	NA	29	NA	30	26
Michigan	NA	103.83	NA	105.18	110.21	NA	25	NA	33	27
Kansas	NA	103.66	NA	114.23	109.75	NA	26	NA	13	28
Kentucky	NA	106.22	NA	107.27	109.60	NA	16	NA	27	29
Idaho	NA	99.84	NA	109.82	109.41	NA	36	NA	20	30
Maryland	NA	104.42	NA	108.25	108.34	NA	20	NA	25	31
North Carolina	NA	100.17	NA	106.60	108.25	NA	35	NA	28	32
Mississippi	NA	103.92	NA	105.74	107.86	NA	23	NA	32	33
Massachusetts	NA	95.87	NA	105.77	107.31	NA	40	NA	31	34
Iowa	NA	103.85	NA	107.30	106.38	NA	24	NA	26	35
Florida	NA	93.74	NA	105.06	105.95	NA	44	NA	35	36
WASHINGTON	NA	100.90	NA	106.27	105.91	NA	32	NA	29	37
Montana	NA	98.05	NA	101.19	105.57	NA	38	NA	41	38
South Carolina	NA	95.82	NA	103.77	103.85	NA	41	NA	38	39
Georgia	NA	100.36	NA	102.32	103.83	NA	34	NA	39	40
Virginia	NA	95.18	NA	99.56	103.69	NA	43	NA	43	41
Oklahoma	NA	99.53	NA	101.35	100.70	NA	37	NA	40	42
Missouri	NA	96.06	NA	97.31	100.40	NA	39	NA	45	43
Texas	NA	95.49	NA	99.46	100.12	NA	42	NA	44	44
Oregon	NA	90.93	NA	100.82	99.77	NA	46	NA	42	45
Colorado	NA	92.30	NA	92.86	95.22	NA	45	NA	46	46
Alabama	NA	87.58	NA	88.89	92.27	NA	48	NA	50	47
Tennessee	NA	83.89	NA	89.97	91.68	NA	50	NA	49	48
New Hampshire	NA	84.65	NA	91.61	91.43	NA	49	NA	47	49
South Dakota	NA	90.37	NA	90.60	87.46	NA	47	NA	48	50
U.S. Average	NA	\$103.98	NA	\$110.33	\$112.84					

* Local tax collection data for fiscal years 2001 and 2003 not compiled by the U.S. Census Bureau.

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**Table 6. State and Local Taxes Per Capita
Fiscal Years 2003 - 2005**

State	2003*		2004		2005	
	Amount	Rank	Amount	Rank	Amount	Rank
New York	NA	NA	\$5,260	1	\$5,752	1
Connecticut	NA	NA	4,921	2	5,398	2
Wyoming	NA	NA	4,437	4	5,251	3
New Jersey	NA	NA	4,555	3	4,890	4
Massachusetts	NA	NA	4,217	5	4,470	5
Alaska	NA	NA	3,610	14	4,443	6
Hawaii	NA	NA	3,813	8	4,338	7
Maryland	NA	NA	4,016	6	4,276	8
Rhode Island	NA	NA	3,891	7	4,191	9
Vermont	NA	NA	3,681	13	4,137	10
Minnesota	NA	NA	3,811	9	4,088	11
California	NA	NA	3,736	11	4,055	12
Maine	NA	NA	3,789	10	3,960	13
Delaware	NA	NA	3,608	16	3,894	14
Wisconsin	NA	NA	3,714	12	3,872	15
Illinois	NA	NA	3,555	17	3,849	16
Nevada	NA	NA	3,417	21	3,749	17
Nebraska	NA	NA	3,609	15	3,746	18
Pennsylvania	NA	NA	3,447	19	3,710	19
Virginia	NA	NA	3,342	23	3,657	20
WASHINGTON	NA	NA	3,452	18	3,651	21
Ohio	NA	NA	3,419	20	3,637	22
Michigan	NA	NA	3,313	24	3,494	23
Kansas	NA	NA	3,380	22	3,415	24
Indiana	NA	NA	2,999	29	3,405	25
Florida	NA	NA	3,094	27	3,369	26
Colorado	NA	NA	3,169	25	3,363	27
North Dakota	NA	NA	2,989	30	3,343	28
New Hampshire	NA	NA	3,133	26	3,306	29
Iowa	NA	NA	3,054	28	3,273	30
Louisiana	NA	NA	2,899	33	3,173	31
New Mexico	NA	NA	2,861	37	3,151	32
North Carolina	NA	NA	2,929	31	3,149	33
Arizona	NA	NA	2,871	36	3,079	34
West Virginia	NA	NA	2,740	40	3,060	35
Oregon	NA	NA	2,917	32	3,052	36
Texas	NA	NA	2,881	34	3,015	37
Georgia	NA	NA	2,877	35	3,010	38
Missouri	NA	NA	2,822	38	2,997	39
Kentucky	NA	NA	2,767	39	2,939	40
Utah	NA	NA	2,735	41	2,933	41
Idaho	NA	NA	2,728	42	2,926	42
Montana	NA	NA	2,623	45	2,913	43
Arkansas	NA	NA	2,536	48	2,902	44
Oklahoma	NA	NA	2,677	43	2,843	45
South Carolina	NA	NA	2,662	44	2,779	46
South Dakota	NA	NA	2,615	46	2,715	47
Tennessee	NA	NA	2,536	47	2,685	48
Mississippi	NA	NA	2,444	49	2,575	49
Alabama	NA	NA	2,328	50	2,569	50
U.S. Average	NA		\$3,447		\$3,698	

* Local tax collection data for fiscal year 2003 not compiled by the U.S. Census Bureau.